

Task 1:

Mr. Novák works as an accountant. His family consists of 4 members. His monthly gross income is €1,200. In January 2018 he worked full 22 working days. The child tax bonus applies on him.

- a) Calculate the net income of Mr. Novák in your country when you have the following data from the year 2018.

Required information:		Slovakia
➤ tax bonus	..... €/child/month,	21.56 €
➤ tax-free part of the tax base	..... €/month,	319.17 €
➤ Social security levies:	..... % (rate),	9.4 %
- Old-age insurance	..... % (rate),	4.0 %
- Disability insurance	..... % (rate),	3.0 %
- Sickness insurance	..... % (rate),	1.4 %
- Unemployment insurance	.....% (rate),	1.0 %
➤ Health insurance levies	..... % (rate),	4.0 %
Tax on income from dependent activity	..... % (rate),	19 %

Calculation Slovakia:

Gross income	€ 1,200.00
Social security levies 9.4%:	
- Old-age insurance	€ 48.00
- Disability insurance	€ 36.00
- Sickness insurance	€ 16.80
- Unemployment insurance	€ 12.00
Health insurance levies (4%)	€ 48.00

The base of tax on income from dependent activity = Gross income – levies – tax-free part of the tax base = 1, 200 – 160.8 – 319.17 = € 720.03

Tax on income from dependent activity = 720.03 * 0.19 = 136.8057 € → € 136.80

Net income = Gross income – Levies – Tax on income + Tax bonus =
= 1,200 – 160.80 – 136.80 + (2 * 21.56) = € 945.52

- b) Considering the differences in legislation of the levy and tax burden, compare how much money Mr. Novák gets from his employer in:

- Greece,
- Italy,
- Lithuania,
- Poland,
- Slovakia.

Discussion: In which of the countries above Mr. Novák gets paid the most/ the least? Tell the reasons why.